

## Message Text

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12

ACTION EB-11

INFO OCT-01 EUR-25 EA-11 ISO-00 AID-20 CIAE-00 FRB-02

INR-10 NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12 SP-03

CIEP-02 LAB-06 SIL-01 OMB-01 NSC-07 SS-20 STR-08

CEA-02 AGR-20 DRC-01 FEA-02 INT-08 PA-04 PRS-01

USIA-15 /201 W

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R 140943Z JUN 74

FM AMEMBASSY LONDON

TO SECSTATE WASHDC 1260

INFO AMEMBASSY BONN

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY TOKYO

USMISSION EC BRUSSELS

USMISSION OECD PARIS

USDOC WASHDC

UNCLAS LONDON 07480

DEPARTMENT PASS TREASURY AND FRB

E.O. 11652:N/A

TAGS: EFIN, UK

SUBJECT: UK TRADE IN MAY

BEGIN SUMMARY: IN MAY, THE MONTHLY VISIBLE TRADE DEFICIT WAS 481 MILLION POUNDS (S.A.), A RECORD HIGH. EXPORTS WERE 1,278 MILLION POUNDS (S.A., F.O.B.), IMPORTS WERE 1,759 MILLION POUNDS (S.A., F.O.B.). THE INVISIBLE ACCOUNT IS ESTIMATED TO HAVE BEEN IN SURPLUS BY 103 MILLION POUNDS. THE CURRENT BALANCE WAS IN DEFICIT BY 378 MILLION POUNDS. END SUMMARY

1. IN MAY, THE UK HAD A VISIBLE TRADE DEFICIT OF 481

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MILLION POUNDS (S.A., F.O.B., B/P BASIS), OF WHICH 304

MILLION POUNDS WAS ACCOUNTED FOR BY THE DEFICIT IN TRADE ON PETROLEUM AND RELATED PRODUCTS AND 177 MILLION POUNDS ON OTHER GOODS. THIS COMPARES WITH A VISIBLE TRADE DEFICIT OF 391 MILLION POUNDS IN APRIL, MADE UP OF 308 MILLION POUNDS ON PETROLEUM AND 83 MILLION POUNDS ON OTHER GOODS, AND 460 MILLION POUNDS IN MARCH, OF WHICH 294 MILLION POUNDS WAS PETROLEUM AND 166 MILLION POUNDS ON OTHER GOODS. THE OVERALL DEFICIT IN MAY WORSENEED BECAUSE OF THE DETERIORATION IN THE NON-OIL DEFICIT. IN THE 3 MONTHS, MARCH TO MAY, THE VISIBLE TRADE DEFICIT AVERAGED 445 MILLION POUNDS A MONTH, 302 MILLION POUNDS ON PETROLEUM, 143 MILLION POUNDS ON OTHER GOODS. THIS COMPARES WITH AN AVERAGE 388 MILLION POUNDS AVERAGE MONTHLY DEFICIT IN DECEMBER-FEBRUARY, OF WHICH 176 MILLION POUNDS WAS PETROLEUM AND 212 MILLION POUNDS WAS OTHER GOODS.

2. THE VALUE OF UK EXPORTS IN MAY WAS 1,278 MILLION POUNDS (S.A., F.O.B., B/P BASIS), COMPARED TO 1,276 MILLION POUNDS IN APRIL AND 1,206 MILLION POUNDS IN MARCH. IN THE THREE MONTHS, MARCH TO MAY, EXPORTS AVERAGED 1,253 MILLION POUNDS A MONTH, 18 PERCENT HIGHER THAN IN THE PREVIOUS THREE MONTHS. BETWEEN THESE PERIODS, EXPORTS (MEASURED ON A C.I.F. BASIS) INCREASED TO WESTERN EUROPE BY 17 PERCENT (WITH DELIVERIES TO THE EC 20 PERCENT HIGHER); TO THE STERLING AREA OUTSIDE EUROPE BY 16 PERCENT; TO NORTH AMERICA BY 9 PERCENT; AND TO THE REST OF THE WORLD BY 22 PERCENT.

3. THE VALUE OF UK IMPORTS IN MAY WAS 1,759 MILLION POUNDS (S.A., F.O.B., B/P BASIS) COMPARED WITH 1,667 MILLION POUNDS IN APRIL AND 1,666 MILLION POUNDS IN MARCH. IN THE THREE MONTHS, MARCH TO MAY, IMPORTS AVERAGED 1,698 MILLION POUNDS A MONTH, 17 PERCENT HIGHER THAN IN THE PREVIOUS THREE MONTHS. A MAJOR PART OF THE INCREASE WAS DUE TO HIGHER VALUE OF OIL IMPORTS WHICH ROSE BY 64 PERCENT, WHILE VALUE OF IMPORTS OF OTHER GOODS INCREASED BY 9 PERCENT. DURING MARCH-MAY, OVER THE PREVIOUS THREE MONTHS, IMPORTS INCREASED FROM WESTERN EUROPE BY 15 PERCENT (18 PERCENT FROM EC); FROM NORTH AMERICA BY 10 PERCENT; AND FROM THE REST OF THE WORLD BY 28 PERCENT.

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4. THE SURPLUS ON INVISIBLES IN MAY WAS ESTIMATED AT 103 MILLION POUNDS, WITH A CURRENT DEFICIT OF 378 MILLION POUNDS, COMPARED WITH 288 MILLION POUNDS IN APRIL AND 357 MILLION IN MARCH.

5. THE TOTALS FOR THE FIRST FIVE MONTHS OF 1974 ON THE VISIBLE TRADE ACCOUNT COMPARED TO 1973 ARE:

	EXPORTS	IMPORTS	BALANCE
1973	4,485	5,108	-623
1974	5,925	8,085	-2,160

NOTE: FIGURES HAVE BEEN REVISED, ALL FIGURES ARE F.O.B.,  
S.A., B/P BASIS IN MILLIONS OF POUNDS.

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** TRADE, PETROLEUM, INVISIBLES (BALANCE OF PAYMENTS), POUND (CURRENCY)  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 14 JUN 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
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**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
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**Previous Handling Restrictions:** n/a  
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30 JUN 2005

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**Status:** NATIVE  
**Subject:** UK TRADE IN MAY BEGIN SUMMARY: IN MAY, THE MONTHLY VISIBLE TRADE DEFICIT  
**TAGS:** EFIN, UK  
**To:** STATE  
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